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SUBJECT: AMBASSADOR FOSTERS AMERICAN BUSINESS AND ENVIRONMENTAL
PARTNERSHIPS IN VISIT TO PROVINCIAL CAPITAL

¶1. SUMMARY: The Ambassador visited Cebu City June 28 to highlight bilateral cooperation with the Philippines in the areas of food and agricultural trade, business development, and environmental conservation. The Ambassador delivered opening remarks at two events: the Second Conference of Coastal Municipalities and the Fourth of July American Food Festival. The Ambassador also discussed the current business climate and trade opportunities with the U.S. Chamber of Commerce Board of Trustees, spoke with local media, and met with Peace Corps volunteers. END SUMMARY.

Background: Cebu City and Province

¶2. Cebu City, the capital city of the Cebu province, is the largest city in the Central Visayas Region and the second most populous city in the Philippines. The island of Cebu has 3 million inhabitants with about 2 million living in Metro Cebu. Cebu City hosts a number of domestic and international corporations. The entry of business process outsourcing (BPO) firms has contributed to the rapid growth of the local economy in recent years. U.S. firms are a significant source of employment in Cebu, providing jobs to 37,000 Cebuanos.

All American Food Festival

¶3. The Ambassador launched a month-long "Fourth of July American Food Festival" at a local resort by cutting a 10-pound hamburger made of U.S. beef with the resort's general manager. The event featured numerous American dishes and wines, as well as a performance by members of the Cebu Equestrian Club dressed in cowboy attire. The Ambassador highlighted in her opening remarks the strong cultural ties between the United States and the Philippines and the economic benefits to both countries of the bilateral trade in agricultural products. She underscored that the U.S. is the primary consumer of the Philippines' agricultural exports, and the Philippines is the United States' 13th largest export market. The Ambassador also spoke about the USG support for programs that promote sustainable agriculture and business skills for rural communities in Cebu. Forty guests, including American Chamber of Commerce members, importers and distributors of U.S. food products, and key social and print and broadcast media personalities, attended the Sunday Lunch Gala at the resort.

Lunch with Peace Corps Volunteers

¶4. The Ambassador met with two Peace Corps volunteers for lunch at a local McDonald's restaurant, one of whom works with the local government of Borbon on coastal resource management, and another who develops educational programming for orphans and street children in Toledo City with the Lingap Children's Development Center. The Ambassador commended them for their hard work and dedication and assured them that their efforts contribute greatly to the U.S. mission's goals of promoting good governance, economic growth, family health, and protecting the environment.

Coastal Municipalities Conference on Fisheries and Marine
Biodiversity

¶5. The Ambassador delivered a message of solidarity to hundreds of Filipino mayors at the opening ceremony for the Second Conference of

Coastal Municipalities, held at a local hotel. The Ambassador praised the mayors as 'visionaries' for making strides in coastal management since the first conference in 1999, and emphasized their ability to think collectively about environmental issues, which today have global significance in terms of ongoing efforts with the six-country Coral Triangle Initiative. The Ambassador highlighted longstanding USG support for coastal and fisheries management programs in the Philippines and encouraged citizens to consider future environmental issues when deciding their votes in upcoming elections. The conference, convened by the League of Municipalities of the Philippines through its Movement for Responsible Fisheries (Morefish) program, with financial and technical support from Fisheries Improved for Sustainable Harvest (FISH) Project of USAID is the second conference of its kind in the world, and is unique in Asia. This year's conference resulted to concrete resolutions and proposals on how mayors could facilitate the implementation of sustainable fishery laws and sectoral reforms, while considering the effects of fisheries and coastal management on climate change and food security.

Roundtable: U.S. Chamber of Commerce Board of Trustees

¶6. The Ambassador met with the Board of Trustees of the American Chamber of Commerce Cebu in the Cebu Consular Agency to learn about the local business climate and discuss opportunities for trade and investment. The 10 largest U.S. companies have over \$600m in annual sales in the fields of manufacturing, business process outsourcing (BPO), software and technology development, and food processing. Participants in the Chamber of Commerce Roundtable included the President of Lexmark Philippines, General Managers of the Cebu City Marriott and Marco Polo hotels, as well as the General Manager of East Asia Utilities Corporation. The construction of Radisson and Crowne Plaza hotels and expansion of call centers in Cebu serve as

evidence of optimistic hospitality and BPO industries, which have been largely unaffected by the global economic crisis. The roundtable discussion also highlighted the decline in software and technology revenues due to deferred technology-related purchases, which has prompted the closure of the Cebu-based Canadian electronics manufacturing firm, Celestica Inc.

Media Interaction Highlights Bilateral Relationship

¶9. During pull-aside interviews with local media and a live, on-air interview with a local FM radio station, the Ambassador emphasized continued U.S. support for the protection of marine ecosystems, highlighted the importance of bilateral business and trade relations, and discussed the many ties between the U.S. and the Philippines in the context of the upcoming July 4 holiday, which is also celebrated as Filipino-American Friendship Day.

KENNEY